GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:7183
ANSWERED ON:13.05.2005
INVESTIGATION INTO ACCOUNTS OF XEROX MODI CORPORATION
Jha Shri Raghunath

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether Xerox Modicorp had made any improper payments to push sales of their items and the Government announced a probe into the company`s accounts;

(b) if so, whether the probe has been completed; and

(c) if so, the outcome thereof alongwith the action taken against the official found guilty in this regard?

Answer

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) & (b) On information about allegations that the company had resorted to improper practices to secure orders, the Central Government launched an investigation into the affairs of the company under section 235 of the Companies Act, 1956. The investigation was assigned to an Inspector appointed under the said Act. The Inspector has submitted his report indicating violations of the Companies Act, as well as other enactments.

(c) Thirteen prosecutions for violation of various provisions of the Companies Act, 1956 as have been identified, have been ordered. The Central Bureau of Investigation, Directorate of Customs & Excise and Directorate of Enforcement have been advised to take necessary action as warranted, against the company and its directors for violation of the Acts under their jurisdiction such as Prevention of Corruption Act, Indian Penal Code, Customs & Excise Act, Foreign Exchange Regulation Act/Foreign Exchange Management Act etc.